

SECRET

Adm - 13.6

DD/S&T-4058-69
14 October 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Second Quarter Review, OCS

1. With [] representing OCS, and Mr. Duckett and [] taking the review, it was held in the MIC at 11:15 hours. [] said he didn't want to spend much time on contracts because everything they have is small and mostly for service. He made passing mention of a small contract with [] and one with Hughes in conjunction with OSI and OSA. He also said OCS may possibly want to let a contract with IBM/Houston on systems studies and hardware configuration. Mr. Duckett asked how much this IBM contract might run, and how many people would be involved. [] replied the contract will be initially for [] plus a possible follow-on. He said that software modification might come from the original contract and that they might find ways to better utilize their equipment.

2. [] moved on to the funding situation in OCS. He stated the problem of purchase versus rental of computer hardware still remains. OCS is now [] in the red on rentals for the portion of the year already expired, and they estimate they will need [] by the end of the year, if purchase money is not freed. [] said he had talked to [] in OPFB about this problem, but that they (OPFB) can't do anything about the problem until the 1/12th restriction is removed. When OPFB gets the apportionment from Congress, they can decide what the mix will be of rental and purchase of computer equipment. [] he was knowledgeable of the shortage of rent money, but that nothing further could be done at this time. [] said OCS can take care of this year's rental bill by transferring purchase money into the rental account, but this would have lasting effects in that it will throw purchase money behind in next year and years following. Mr. Duckett said we

**DD/S&T
FILE COPY****SECRET**GROUP 1
Excluded from automatic
downgrading and
declassification

SECRET

DD/S&T-4058-69

SUBJECT: Second Quarter Review, OCS

must assume that no apportionment will come out of Congress until at least January. He said Congress is badly split on budgetary matters, and there is disagreement between the House and Senate.

25X1A [] added that even if the original figures in the budget hold up, it won't buy the equipment that was planned because of subsequent cost increases. Mr. Duckett ended this portion of the discussion instructing OCS to send a memo through 25X1A [] to OPFS explaining the situation and the needs of OCS.

25X1A 3. [] said OCS's first major problem is that of GSA contracting with IBM. GSA has been slow and reticent in contracting; and, as a consequence, he, [] feels the contracts are going to cost more money because of rising prices. Small items of support which used to be furnished free are now included at a price by IBM, which raises costs.

25X1A [] said OCS is largely self-sufficient in that they can handle much of their own training, but costs are rising for software. IBM furnishes control software for their equipment as a part of the system, but anything else is at an added cost. Further, the IBM contracts are so tightly written that no legal loopholes seem to exist. Mr. Duckett questioned the capability of the GSA people, in the negotiation field, who handle these contracts. 25X1A [] said they were well qualified, but very "hard nosed." They don't seem to understand the cost increases which are inherent to this period of time. [] added he is concerned with the lack of warranty on IBM software capability. In some instances if the software doesn't work, we are the loser. Mr. Duckett said he felt that IBM is extremely worried about government monopoly suits currently in the courts, and this may make them a little more rational in their dealings.

25X1A 4. Personnel problem according to [] is the second perplexing area facing OCS. They are currently 24 people under strength and not doing as well with recruitment as they have in the past. They have employed advertising, but this did not seem to help. [] asked about the possibility of getting some of the people who are being returned from overseas because of the [] reductions. [] stated he had received around 50 folders on [] returnees all of whom we were interested in, but that Mr. Karamessines had refused to release any of them. [] said their personnel shortage is compounded by requests received from other offices that have computer equipment for training their personnel. OCS has had difficulty

SECRET

SECRET

DD/S&T-4058-69

SUBJECT: Second Quarter Review, OCS

In training sufficient people for their own use. Mr. Duckett asked if the local junior colleges were graduating people who would be of interest to OCS. [] said these people would have a good start towards computer work, but would still need considerable local training. He feels that this situation should improve with time. Mr. Duckett said the fact that these people reside in this area and no move would be involved should be helpful.

25X1A

5. In a general discussion of the status of OCS, [] said the morale in the office is generally good, but that a few people are dissatisfied with changes that have occurred. He further said OCS now has many users of specialized information including several new requests. Things have become crowded up in this area, but OCS has been giving priority to its older customers. Also, the time sharing on the machines is getting quite crowded, but they hope that some of their new systems may help this problem. [] said the office is doing reasonably well on their training, but some major conflicts in work scheduling may preclude their doing all of this work they would like to.

25X1A

25X1A

6. In a closing discussion, [] stated a political problem was brewing in their work. By aligning some budget work with the fiscal status of the Agency, OCS has been able to place this information on a computer. [] has shown a great deal of interest in this work and has asked for some machine reports of Agency wide status. [] feels, if [] and others can wait six months for this information, that it would be a natural fallout of the [] System.

25X1A

25X1A

25X1A

25X1A

[] said that the format of the information is not all that important, but he feels the Management Information System referred to by [] is simpler than [] will be. Further, [] is well behind schedule and no one knows for sure when the system will be operational. [] countered, saying that [] is already operating in some areas and that the information covered by MIS should be available shortly.

25X1A

25X1A

[] said that the decision on this matter should be made by [] Both systems have benefits and both have shortcomings. [] instructed [] to see [] and ask him to settle this matter with Colonel White.

25X1A

25X1A

Plans and Programs Branch

O/DD/S&T

SECRET

SECRET

DD/S&T-4058-69

SUBJECT: Second Quarter Review, OCS

Distribution:

- 1 - Compt/DD/S&T and back to R&P Br.
- 1 - R&P Br. Chrono
- 2 - DD/S&T registry

25X1A

O/DD/S&T/Compt/R&P Br (15 Oct 1969)

SECRET